



2011 COUNTY PROFILE

NEWAYGO COUNTY, MICHIGAN



Advisory Committee Members

We would like to thank the Advisory Committee Members who played a key role in accomplishing this project.

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Beyond the Numbers

2011 COUNTY PROFILE

With this County Profile we aimed to develop a set of indicators that can inform audiences of interest, including the public, about the special characteristics of Newaygo County.

We believe this information will be used for public relations purposes and for marketing the community for the recruitment of businesses, residents and tourists. The information may also be used to inform various stakeholders of strengths and challenges facing our community that can lead to better informed public policy. This can be accomplished by examining indicators over time that reflect priorities and by comparing these indicators with other regions of similar demographic and geographic profiles.

Thanks to funding support from the County of Newaygo, NCEDO contracted with the University of Cincinnati's Economics Center to conduct this analysis and to provide consulting for the foundation of indicators that are presented in this document.



- Advisory Committee Members
Newaygo County Economic Development Office (NCEDO, Inc).

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RELATIVE PROSPERITY

For two measures of relative prosperity Newwaygo County outperforms most of the comparison areas.

Measures

	Newwaygo Co., MI	Harrison Co., IN	Caldwell Co., TX	Tooele Co., UT	Michigan	US
Population below the poverty line	15.9%	9.4%	19.4%	5.9%	14.5%	13.5%
Population of owner-occupant households	83.4%	85.3%	69.4%	76.8%	74.6%	66.9%
Share of single-mother households	9.3%	7.85%	11.5%	11.4%	12.3%	12.4%
Housing Affordability	60.9%	75.4%	62.5%	65.2%	61.3%	60.2%
Income Inequality Index	0.42	0.41	0.42	0.34	0.45	0.47



HUMAN CAPITAL

Newaygo County has a strong stock of future human capital, as measured by the proportion of k-12 students and high share of high school completers.

Measures

	Newaygo Co., MI	Harrison Co., IN	Caldwell Co., TX	Tooele Co., UT	Michigan	US
PreK-12 students	21.2%	19.1%	20.7%	25.7%	19.7%	19.5%
HS Graduates/Dropouts	1.63	0.97	1.41	1.66	1.43	1.52
Population with a BA Degree or Higher	13.9%	13.1%	13.7%	19.1%	24.5%	27.5%
Population with an Associate Degree	7.8%	6.6%	4.3%	10.6%	8.0%	7.4%



DEMOGRAPHICS

Newaygo County has a considerable population of retirees and the average household income in the County is increasing with the new residents.

Measures

	Newaygo Co., MI	Harrison Co., IN	Caldwell Co., TX	Tooele Co., UT	Michigan	US
Median age	39.1	38.8	35.8	29.2	37.7	36.7
Median income	\$43,278	\$50,544	\$41,387	\$60,236	\$48,700	\$51,425
Retiree population	13.9%	11.9%	7.2%	12.5%	12.6%	12.9%
Retiree Income Index	0.69	0.63	0.65	0.56	0.66	0.64
Out-migration	4.9%	4.8%	6.1%	6.2%	NA	NA
Out-migration income	\$28,570	\$37,918	\$30,963	\$43,364	NA	NA
In-migration	4.4%	5.1%	6.5%	6.2%	NA	NA
In-migration income	\$31,106	\$35,573	\$31,638	\$45,718	NA	NA



ECONOMIC BASE

Newaygo County's economy has a strong presence of agriculture & food production and insurance related activities as measured by the share of employment in these industry clusters.

Measures

	Newaygo Co., MI	Harrison Co., IN	Caldwell Co., TX	Tooele Co., UT	Michigan	US
Workforce employed outside county	45.8%	57.4%	59.8%	43.6%	30.2%	27.4%
Share of seasonal homes	16.6%	1.6%	2.4%	0.9%	5.8%	3.5%
Prime-aged working population	23.9%	27.1%	27.2%	30.9%	26.3%	27.6%
Cluster employment shares:						
Agriculture & Food	7.7%	NA	NA	NA	NA	1.3%
Insurance	4.3%	NA	NA	NA	NA	2.0%



METHODOLOGY FOR SELECTING PEER COUNTIES

Selecting peer regions allows for comparing progress to other similar areas for benchmarking purposes. Comparison areas will inform users of this product on the relative progress made throughout the years. To select a set of comparison counties for Newaygo, the Economics Center worked with an Advisory Group comprised of local stakeholders. Based on their guidance, the Economics Center first considered the areas that the West Michigan Region uses to benchmark itself, capitalizing on West Michigan Alliance's recent work *Vital Signs*¹. The 2010 report compares the 8-county West Michigan Region (comprised of Allegan, Barry, Kent, Ionia, Ottawa, Montcalm, Muskegon, and Newaygo) to the State of Michigan, the U.S., and 26 other comparison regions. These regions, like West Michigan, are each a composite of adjacent metropolitan and micropolitan areas. These regions each have at least five counties and two or more major core urban areas with populations between 375,000 and 2.3 million (pg. 4).

A group of regional stakeholders assisted in the selection of indicators for *Vital Signs* based on performance achievement targets for West Michigan, to be reached by 2015. The report combines information on a total of 18 indicators, 6 indicators in each of the three sustainability categories: economic prosperity, environmental integrity, and social justice. From these 18 indicators, each region was given a "best-in-class overall ranking." This best-in-class ranking provided the first screen in selecting counties similar to Newaygo.

According to the findings of the report, among 27 regions, West Michigan is ranked 9th on the best-in-class overall ranking. The Economics Center further investigated counties within the ten regions which ranked closest to West Michigan, from 4th to 14th in the best-in-class overall ranking. As Newaygo County is part of the Grand Rapids Metropolitan Statistical Area (MSA), the Economics Center focused on the major MSAs within the selected regions. This resulted in a total of 74 candidate counties within the ten major MSAs².

The Economics Center then applied two screens to these 74 counties, the first being county population. The Economics Center selected those with ± 25 percent of Newaygo's population, yielding 15 candidate counties. Finally, the Economics Center examined the population density (people per sq.mi.) of these 15 counties to identify three peer counties for Newaygo. Using this methodology, the peer counties selected are: Caldwell County, TX, Harrison County, IN, and Tooele County, UT³.

¹ http://www.wm-alliance.org/documents/publications/2010_Vital_Signs_V12_FINAL.pdf

² These metropolitan areas are: Austin/Round Rock, TX, Albany/Schenectady/Amsterdam, NY, Boise City/Nampa, ID, Milwaukee/Racine/Waukesha, WI, Raleigh/Durham/Cary, NC, Salt Lake City/Ogden/Clearfield, UT, Virginia Beach/Norfolk/Newport News VA/NC, Providence/New Bedford/Fall River RI/MA, Indianapolis/Anderson/Columbus IN, Louisville/Jefferson County/Elizabethtown/Scottsburg KY/IN

³ Caldwell County, TX is part of the Austin/Round Rock MSA. Harrison County, IN is located in the Indianapolis MSA. Tooele County, UT is part of the Salt Lake City MSA.

TECHNICAL APPENDIX

Relative Prosperity

The “Relative Prosperity” category includes five indicators broadly characterizing the cost of living and incidence of poverty. Measures included are from the American Community Survey Five Year Estimates, 2005-2009.

Population below the Poverty Line: The share of the population reporting living below the federal poverty line in the last 12 months. This indicator is a commonly reported measure of economic well-being. In 2010, the poverty line for a family of four was defined by the US Census Bureau as \$22,113.

Population of Owner-Occupant Households: The share of households who report owning their home, versus renting. Owner-occupants tend to be more established and of higher wealth than renters. Additionally, home-owners also tend to be a more stable segment of the population overall than renters.

Share of Single-Mother Households: The proportion of all households that consists of a family with only a female head of household, no husband present. Single-mother households are subject to higher instances of poverty and thus this is a measure of the level of need within the community.

Housing Affordability: One traditional measure of hardship is the proportion of a household’s budget allocated towards housing expenditures, including rent or mortgages and utilities. Spending more than 30 percent of income is considered indicative of shelter costs as a burden. This measure reflects the share of households spending less than the traditional 30 percent of income on housing, thus capturing the proportion of residents considered to be in housing that does not constitute a burdensome expense, and includes both renter and owner-occupant households.

Income Inequality Index: This measure is also known as the Gini Coefficient, which measures the extent to which the income is unequally distributed across the population within a geography. A Gini coefficient of 0 indicates perfect equality, while 1 indicates the highest degree of inequality. Thus, a lower value indicates a more equal distribution of income.



TECHNICAL APPENDIX

Human Capital

Human Capital is the stock of knowledge and skills. This indicator measures the education level of the working population, and also describes the production the up-and-coming workforce, the adolescent population. Measures included are from the American Community Survey Five Year Estimates, 2005-2009.

PreK – 12 Students: This measure is the share of the population currently enrolled in the formal primary and secondary education system. If all of these children were to remain in their same area of residence, they would constitute the native workforce as adults.

High School Graduates/Dropouts: This indicator pertains to the high school aged population, 16 to 19 years, who are not enrolled in school. The measure compares those who are not enrolled because they have graduated with those who have likely dropped out of school. It is the ratio of these high school graduates to dropouts. The index may be greater or less than one. An index of less than 1 indicates that on average there are fewer high school graduates than dropouts in that year. A value greater than one indicates that the community is producing more graduates than dropouts on average in that year.

Population with a BA Degree or Higher: This indicator is the proportion of the population aged 25 and higher with at least a college degree. This is a widely used measure for the degree to which the population is high-skilled, or qualified for high-skilled positions.

Population with an Associates Degree: Increasingly, workforce development initiatives recognize the need for this intermediate degree level. This indicator measures the degree to which the population is suited for positions that require intermediate-level, and more soft skills.

Demographics

This category describes the composition of the population overall, in terms of common characteristics such as age and income level. Measures included are from the American Community Survey Five Year Estimates, 2005-2009, the Internal Revenue Service County Migration Data for 2008 and the Census Population Estimates for 2007.

Median Age: The median age is the age which divides the population in half. As the population as a whole ages the median age tends to increase.

Median Income: The median income is the income which divides the population in half. As the income of the population increases the median income tends to increase.

Retiree Population: This measure is the share of the population aged 65+ in the region. Individuals in this age group tend to be retired from their primary job, and may or may not be continuing to work. As this group's representation in the population increases, relatively fewer people are approaching, or in, prime working age.

Retiree Income Index: This measure is the ratio of the median income for households aged 65+ to the overall median for the region. The index can be greater or less than 1. An index of less than 1 indicates that retiree households on average have less income than the community overall. A value greater than one indicates that these households on average have incomes higher than the community overall.

Demographics (continued)

Out-Migration: This measure is out-migrants as a share of the population in the preceding year. Data are from the IRS and from the Census Population Estimates. This measures the percentage of the population that moves out of the area in a given year.

Out-Migrant Income: This measure is the average household income of those leaving the community, as measured by the IRS.

In-Migration: This measure in-migrants as a share of the population in the preceding year. Data are from the IRS and the Census Population Estimates. This measures the percentage of the population that moves into the area in a given year.

In-Migrant Income: This measure is the average household income of those leaving the community, as measured by the IRS.

Economic Base:

The Economic Base Category characterizes the employment and industrial composition of the community. Measures included are from the American Community Survey Five Year Estimates, 2005-2009, and estimates from Economic Model Specialists Incorporated, (EMSI) based on Bureau Labor of Statistics Data.

Workforce Employed Outside County: This measure is the share of the workforce whose place of employment is located outside the county of residence. This is a measure of the residual resident workforce in that these are workers currently gainfully employed in other areas.

Seasonal Homes: This indicator is the share of the housing stock that is categorized as vacant seasonal. These homes are typically second homes, and may be owned by residents but most likely are owned by nonresidents. This measure reflects the extent to which the community is seen as a destination for tourists, indicating the importance of tourism related activities and businesses.

Prime Aged Working Population: This measure is the share of the population aged 25 to 44. This may be considered the prime age working population, generally completed schooling and becoming more stable, less likely to migrate out of the community. This measure also indicates the strength of the potential wage-earning tax base.

Cluster Employment Share: These indicators measure the representation, or concentration, of a given industries employment in the community. Typically, the national employment is seen as the benchmark for the industrial employment distribution. If a community has a significantly higher share than the nation of its employment in a given industry, then this industry is seen as being particularly important to that community. Cluster employment shares are EMSI estimates calculated from 2008 Bureau Labor of Statistics data.

Clusters for Newaygo County: "Agriculture & Food Production" (NAICS 115 and NAICS 311) and "Insurance" (NAICS 524)



ABOUT THE ECONOMICS CENTER

The Economics Center enhances the economic knowledge base of our clients through our research and consulting activities. We impart critical knowledge and skills to individuals, organizations and communities. We provide data, analysis and tools to illustrate, describe and estimate the consequences of policy decisions and of changes to the economy. We help our clients better understand their communities, workforce and clientele. Together with our economic education experts and practitioners, who are equipping tomorrow's citizens with the skills to navigate a complex economic landscape, we are providing the knowledge building blocks for a stronger economy.

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